

SYSTEMS AND METHODS FOR ELECTRONIC
TRADING THAT PERMIT PRINCIPAL/BROKER TRADING

Cross Reference To Related Applications

[0001] This application claims the benefit of United States provisional application No. 60/295,300, filed June 1, 2001, which is hereby incorporated by reference herein in its entirety.

Background of the Invention

[0002] This invention relates to processes for electronic trading systems. More particularly, this invention relates to systems and methods for electronic trading that permit principal/broker trading.

[0003] With the expansion of the use and capabilities of computer infrastructure there has been a corresponding progression of buyer/seller transactions away from classical "open outcry auctions" toward electronic trading systems. Computer-based electronic trading systems have been used in a variety of markets including, for example, stocks, bonds, currency, commodities and futures markets. The use of electronic trading systems offers many advantages over conventional methods for

trading including increased speed of price dissemination and trade execution, reduced transaction costs, potential for trading across multiple markets simultaneously, reduced probability of erroneous trades, enhanced compliance with credit limits, reduction of risk exposure, and the potential to provide controlled anonymous trading.

10 [0004] In an electronic trading system, a trader desiring to make a trade may directly access a trading system, typically using a trading system workstation, personal computer, dumb terminal connected to a network, or any other suitable device, and submit trading commands to participate in an electronic transaction. For example, a first trader may submit a bid to buy a certain quantity (or size) of a given item at a specified price using a workstation that is part of the electronic trading system. In response to this bid, a second trader may sell a certain quantity and "hit" the bid by pressing a suitable button or entering a command on another workstation connected to the trading system. If the second trader meets certain requirements, the second trader then causes a trade to be executed upon hitting the first trader's bid.

25 [0005] Despite the advantages afforded by electronic trading systems, some traders cannot or do not wish to operate electronic trading system workstations. They may lack the computer equipment or competency required to operate a workstation, or may simply not wish to perform the related duties. Instead these traders may act as a principal trader and call a broker trader of an electronic trading system and verbally relay their requested transaction. Alternatively, a principal trader

may use instant messaging or electronic mail (e-mail) communications to convey information to a broker trader regarding a requested transaction. All of these types of communications require that a broker trader receiving the
5 communications submit corresponding trading commands into an electronic trading system. Thus, there may exist principal traders, who direct the trading actions of broker traders, and broker traders who actually utilize the electronic trading system to engage in trading.

10 [0006] Thus, it is an object of the invention to provide systems and methods for electronic trading that permit principal/broker trading.

Summary of the Invention

15 [0007] This and other objects of the invention are accomplished in accordance with the principles of the present invention by providing systems and methods for electronic trading that permit principal/broker trading.

20 [0008] In accordance with the invention, these systems and methods provide a variety of features in an electronic trading system to facilitate principal/broker trading using the electronic trading system. The systems and methods provide a plurality of workstations which present trading information to traders on a display
25 screen and enable those traders to respond to that trading information to complete a trade. Trading is controlled using a processor that is coupled to the plurality of workstations. In a first aspect of the invention, a database containing information relating to
30 traders in the trading system is designed to indicate which participants utilize a principal/broker

relationship and what, if any, limitations are placed on the activity of the broker trader, such as on types of trading commands submitted by the broker trader, and counterparties in a transaction with the broker trader.

5 In another aspect of the invention, trading commands and executed trades involving principals/brokers may be presented to other traders using a specific designation on the display screen. Similarly, the ability of broker traders to enter certain trading commands, and the
10 ability of other traders to enter certain trading commands in response to broker traders, may be limited. In a further aspect of the invention, anonymous trading features may prevent traders from knowing whether another trader is a broker or principal, may prevent traders from
15 being able to block trading with broker traders, and may permit broker traders to configure anonymous trading parameters for their principals.

Brief Description of the Drawings

20 [0009] Further features of the invention, its nature and various advantages will become more apparent from the following detailed description of the invention, taken in conjunction with the accompanying drawings, in which like reference characters refer to like parts throughout, and
25 in which:

[0010] FIG. 1 is a block diagram of one embodiment of hardware that may be used to implement the present invention;

[0011] FIG. 2 is an illustration of a market cell
30 screen display that may be presented in accordance with certain embodiments of the present invention;

[0012] FIG. 3 is an illustration of a trading interface that may be presented in accordance with certain embodiments of the present invention;

5 [0013] FIG. 4 is an illustration of a trade history interface that may be presented in accordance with certain embodiments of the present invention;

10 [0014] FIG. 5 is a flow diagram of a process for configuring trader workstations and processing bids and offers in accordance with certain embodiments of the present invention;

[0015] FIGS. 6A-6C are flow diagrams of a process for processing hits and lifts (or takes) and reconfiguring trader workstations in accordance with certain embodiments of the present invention; and

15 [0016] FIG. 7 is an illustration of a configuration interface that may be used to configure trader workstations in accordance with certain embodiments of the present invention.

20 Detailed Description of the Invention

[0017] The present invention is now described in connection with FIGS. 1-7. Although the present invention is described below in connection with a bid/offer, hit/take trading system, it should be apparent
25 to one of ordinary skill in the art that many of the features of the present invention may be used with any other suitable trading, information display, and/or data processing system that enables the buying and selling of all items in an electronic environment for trading.

[0018] Turning first to FIG. 1, an example of hardware 100 that may be used to implement one embodiment of the present invention is shown. As illustrated, hardware 100 may include an electronic trading system 101 comprising one or more local workstations 102 and one or more remote workstations 104 that may be used by traders to view trading data and enter trading commands. Workstations 102 and 104 may be any suitable means for presenting data and, in preferred embodiments of this invention, accepting input. For example, workstations 102 and 104 may be personal computers, laptop computers, mainframe computer terminals, dumb terminals, data displays, Internet browsers, Personal Digital Assistants (PDAs), two-way pagers, wireless terminals, portable telephones, etc., or any combination of the same.

[0019] To orchestrate trading between traders using workstations 102 and 104, the workstations preferably submit commands to, and receive data to be displayed from, a processor 106 that is also part of system 101. In alternative embodiments, however, workstations may communicate with additional processors, or include processors to orchestrate trading in a distributed fashion without requiring processor 106. In yet other embodiments, processor 106 may be connected to an external trading system (not shown) that controls trading by the traders. Processor 106, and any additional processors, may be any suitable circuitry or devices capable of processing data such as microprocessors, personal computers, network servers, mainframe computers, dedicated computer systems, etc.

[0020] Processor 106 may include or be coupled to a database for storing information relating to traders

(whether acting as principal or broker), items traded, trades executed, and/or any other suitable information. This database may be implemented using any suitable hardware and/or software.

5 **[0021]** As shown, processor 106 may be connected to workstations 102 and 104 by networks 108 and 110 of system 101, respectively. Each of networks 108 and 110 may be any suitable data network for communicating data between workstations 102 and 104 and processor 106, such
10 as a local area network, a wide area network, the Internet, an intranet, a wireless network, a hard wired connection, a dial-up network, etc., or any combination of the same. In an arrangement of hardware 100 without processor 106, workstations 102 and 104 may be linked
15 together by networks 108 and 110 directly.

[0022] As also shown in FIG. 1, a telephone network 120 may be provided that comprises a principal telephone 122 and a broker telephone 124 connected by a telephone line 126. Telephone network 120 may be used to enable a
20 principal at a remote location to communicate with a broker at a workstation 102. The broker would receive trading instructions from the principal and then input required information into workstation 102. This may be useful when the principal does not have access to a
25 workstation 102 or 104 or when the principal only has access to a display-only workstation 102 or 104. Obviously, telephone network 120 may be implemented as a private telephone network, a public telephone network, a wireless telephone network, or any suitable combination
30 of the same.

[0023] Similarly, as further shown in FIG. 1, computer communication network 128 may be provided. Computer communication network 128 may include user computers 130 and 134 and data network 132. User computers 130 and 134 may be used to provide instant messaging, e-mail, "voice over IP," video conferencing, and any other suitable communication functions. Computers 130 and 132 may be personal computers, laptop computers, mainframe computer terminals, dumb terminals, data displays, Internet browsers, Personal Digital Assistants (PDAs), two-way pagers, wireless terminals, portable telephones, etc., or any combination of the same. Data network 132 may be any suitable data network for communicating data between computers 130 and 134, such as a local area network, a wide area network, the Internet, an intranet, a wireless network, a hard wired connection, a dial-up network, etc., or any combination of the same, and may be the same network as any of networks 108 and 110.

[0024] As still further shown in FIG. 1, a connection 142 from processor 106 to back office computers 136, 138, and 140 of trading entities (e.g., banks, investment firms, trading firms, etc.) may also be provided. Connection 142 may facilitate trading history information, credit information, and any other suitable data being transferred between processor 106 and computers 136, 138, and 140. For example, trade data may be sent from processor 106 to back office computer 136 to initiate subsequent clearing of a trade from a trader employed by the owner of computer 136 and operating one of workstations 104. Computers 136, 138, and 140 may be any suitable circuitry or devices capable of processing data such as microprocessors, personal computers, network

servers, mainframe computers, dedicated computer systems, etc. Connection 142 may be any suitable data network for communicating data between processor 106 and computers 136, 138, and 140, such as a local area network, a wide area network, the Internet, an intranet, a wireless network, a hard wired connection, a dial-up network, etc., or any combination of the same, and may be the same network as any of networks 108, 110, and 132.

[0025] When used to implement a bid/offer, hit/take trading system as described above or connect to an external bid/offer, hit/take trading system, hardware 100 may enable a trader to submit a bid to buy, or an offer to sell, an item at one of workstations 102 and 104. This bid or offer (both passive trading commands) may then be communicated to processor 106, where the bid or offer can be ranked and stored in a bid-offer queue. The ranking may be based upon time of submission, price, or any other suitable criterion. The bid or offer may then be presented to other traders via other workstations 102 and 104 dependent upon its ranking in the bid-offer queue. Once displayed, the bid or offer can then be hit or taken (both aggressive trading commands) by one or more of the other traders so that a trade of the item can proceed to execution.

[0026] An example of a display 200 for presenting a bid and offer 201 to a trader is shown in FIG. 2. As illustrated, bid and offer 201 may include portions indicating a description of the underlying instrument 202, a bid price 204, an offer price 206, a bid size 208, and an offer size 210. In accordance with the present invention, these portions of bid and offer 201 may be highlighted with one or more colors, or in any other

suitable manner, to indicate various traits of the bid and offer. For example, portions 204 and 208 may be colored purple to indicate that a counterparty principle trader is using a broker trader to submit the corresponding bid or offer to the trading system. As another example, portions 204 and 208 may be colored red to indicate that a counterparty switch of the bidder has been turned off by the trader and, thus, is not tradable by the trader as explained below in connection with FIGS. 5-7.

[0027] Turning to FIG. 3, an interface 300 is shown that may be used to submit and respond to bids and offers presented in display 200 in accordance with the present invention. Interface 300 may be presented on a trader's workstation in response to the trader clicking on any of portions 202, 204, 206, 208, and 210 of bid and offer 201. When presented, interface 300 may then indicate information about the bid and offer clicked-on by the trader in a display 301. As shown, for example, upon the trader clicking on portion 204 of bid and offer 201, interface 300 may be presented with the instrument "usg 05Y" indicated in display 301. Display 301 may also indicate the current bid price for the instrument (i.e., "99.12+") and the current bid size for the instrument (i.e., "10").

[0028] As also shown in FIG. 3, a variety of buttons and entry fields may be incorporated into interface 300. At the center of interface 300, a numeric keypad 302 is displayed. As illustrated, numeric keypad 302 provides buttons for numbers zero through nine, ten, twenty-five, fifty, and one hundred. Numeric keypad 302 also contains a plus button ("+"), a minus button ("-"), a decimal

point button ("."), a backspace button ("BKS"), and a delete button ("DEL"). Interface 300 also provides a buy button 304, a sell button 306, a cancel buy button 308, a cancel sells button 310, a bid button 312, an offer button 314, a cancel bids button 316, a cancel offers button 318, cancel all buttons 320, cancel all for all instruments buttons 322, a price entry field 324, price up and down buttons 326, bid price up and down buttons 328, offer price up and down buttons 334, a size entry field 330, and size up and down buttons 332.

[0029] In order to submit a bid or offer for the instrument indicated in display 301 using interface 300, a trader may first set a bid or offer price and a bid or offer size by entering the appropriate values in fields 324 and 330, respectively, using up and down buttons 326, 328, 332, and/or 334 and/or using keypad 302. Once the desired price and size for the bid or offer have been specified, the trader may then submit the bid or offer by pressing bid button 304 or the offer button 314.

[0030] In order to hit a bid or lift (or take) an offer for the instrument indicated in display 301 using interface 300, a trader may first specify a size in field 330 using up and down buttons 332 and/or 334 and/or using keypad 302. Once the desired size has been specified, the trader may then hit the bid or lift (or take) the offer for the specified size by pressing sell button 306 or buy button 304, respectively.

[0031] In the event that a trader desires to cancel a bid, an offer, a hit, or a lift (or take), the trader may press any corresponding one of buttons 308, 310, 316, 318, 320, and 322.

[0032] Because limitations may be placed by an administrator of trading system 101 or by a broker trader operating one of workstations 102 or 104 (or by the broker trader's employer or principal, as the case may be), interface 300 may prevent a trader from submitting bids and offers and/or from acting on certain bids and offers posted by another trader, when the trader is acting as a broker. If limitations are to be imposed, the trader will have to provide a designation to the trading system 101 when the trader is acting as a broker trader. Such limitations may be based upon the identity of a potential counterparty. Controls to implement such limitations may be included in a set-up screen of interface 300, or may be transmitted from processor 106 to interface 300 depending on who wants to place the limitation. Similar limitations may be applied to the behavior of a trader acting as a principal. For example, a trader acting as a principal may be permitted to hit bids of broker traders only when those broker traders are representing certain principals.

[0033] Displays and interfaces similar to those illustrated in FIGS. 2 and 3 are described in more detail in United States patent application No. 09/745,651, filed December 22, 2000, which is hereby incorporated by reference herein in its entirety.

[0034] FIG. 4 illustrates a trade history interface 400 that may be presented in connection with the display of FIG. 2 and/or the interface of FIG. 3 in accordance with the present invention. Alternatively, all views may be tiled on the screen or may be seen all at once. As shown, interface 400 may present information on trades executed in one or more markets of trading system 101

(FIG. 1). For each trade, this information may include a type 401 for the trade, a size 402 for the trade, a trader name 404 for the trade, an instrument name 406 for the trade, a price/rate trade price 408 for the trade, a settlement price 410 for the trade, a trade posting time 412 for the trade, a trade date 414 for the trade, a settlement date 416 for the trade, a trade side 418 for the trade, a trade reference number 420 for the trade, an end date 422 associated with a contract being traded, a counterparty name 424 for the trade, and comments 426 for the trade.

[0035] Because certain trades may have either a trader name 404 or a counterparty name 424 that is of a trader acting as a broker rather than that of a trader acting as a principal (i.e., the client of the broker), a trader or the operator of trading system 101 may desire not to have information for those trades displayed in interface 400. In such instances the information may be blocked from being displayed at least until the portions of the information corresponding to the broker are replaced with information relating to the principal, when such information is known. Similarly, special messages may be displayed to alert a trader that a counterparty is acting as a broker so that the trader can decide whether to confirm that the broker has the authority to complete the trade. For example, trader name 404 or counterparty name 424 may indicate "Bank A - verify trade with desk." In this example, "Bank A" may be the name of the principal of the broker. As another example, trader name 404 or counterparty name 424 may simply indicate "Call desk to verify trade."

[0036] In certain instances, traders using trading system 101 may desire to trade anonymously. This may be the case because one or more of the traders is concerned that he or she will not receive the true market price when trading, but rather inflated prices, for example. Systems and methods for anonymous electronic trading are disclosed in detail in United States provisional application No. 60/223,028, filed August 4, 2000, and United States patent application No. 09/853,430 filed May 10, 2001 which is hereby incorporated by reference herein in its entirety.

[0037] Turning to FIG. 5, a process 500 for configuring a workstation 102 or 104 (FIG. 1) and processing bids and offers that may be executed in processor 106 (FIG. 1) in accordance with one embodiment of the present invention is shown. As illustrated at step 502, process 500 may first allow a trader to select how the workstation is to react when a bid or offer is hit or lifted, respectively, and when execution of a trade would exceed a warning limit of one of the traders in the trade. The workstation may be configured to automatically accept the full trade, automatically accept only the part of the trade that would not exceed the warning limits of both traders, automatically reject the whole trade, manually accept the full trade after prompting the trader, or manually accept only the part of the trade that would not exceed the warning limits of both traders after prompting the trader. The options of manually accepting the full trade and manually accepting only part of the trade may not be available at workstations 102 or 104 (FIG. 1) in order to speed trading, simplify trading, or limit decision making by

traders with respect to counterparty risk.
Alternatively, the manual options may be available and
the automatic options may not be available in some
embodiments of the invention.

5 **[0038]** Referring to FIG. 7, an example of an interface
700 that facilitates selection of one of these options is
shown. As illustrated, by selecting one of the options
from drop-down menu 702, a trader can select how the
workstation is to react when execution of a trade would
10 exceed a warning limit of at least one of the traders.
Although this selection is shown in interface 700 as
being made by selecting one of the options from drop-down
menu 702, selection of one of these options may be made
in any suitable manner.

15 **[0039]** Turning back to FIG. 5, process 500 may enable
each trader to set counterparty switches for the other
traders at step 504. These counterparty switches enable
a trader to indicate whether the trader wants to be able
to trade with each other trader. A trader may indicate
20 that the trader does not want to trade with another
trader, for example, because the other trader backed out
of a trade on a previous occasion, because the other
trader trades only in small sizes, or for any other
reason.

25 **[0040]** As can be seen in FIG. 7, a trader trading at a
workstation 102 or 104 on behalf of Institution A may
select whether to trade with certain counterparty
institutions by selecting which of check boxes 704, 706,
708, 710, and 712 to check. Where a check box is
30 checked, the corresponding institution is preferably set

to "ON" so that bids and offers from that institution are presented to the trader.

[0041] As shown in FIG. 5, once a trader has set the counterparty switches for the other traders, the trader at step 506 may optionally set warning limits for each counterparty having a counterparty switch that is set to "ON." Through interface 700 of FIG. 7, for example, the trader may set warning limits by specifying values in fields 714, 716, 718, 720, 722, 724, 726, 728, 730, and/or 732. These values may be a total dollar amount of buy and sell side transactions, a total dollar amount of buy side only transactions, a total dollar amount of sell side only transactions, a count of the total number of buy and sell side transactions, a count of the total number of buy side only transactions, a count of the total number of sell side only transactions, any other suitable values or combinations of values that are related to order submission of the counterparty and/or any other characteristic of the trader, or any other suitable values or combinations of values that are independent of order submissions of the counterparty and any other characteristic of the trader. Although interface 700 is illustrated with fields 714, 716, 718, 720 and 722 in a buy column 734 and fields 724, 726, 728, 730, and 732 in a sell column 736, the present invention may be implemented with only a single column for total buy and sell transactions or for only one of buy and sell transactions.

[0042] Although steps 502, 504 and 506 are illustrated in process 500 of FIG. 5 in a specific order, these steps may be executed in any suitable order or in parallel if desired.

[0043] When a trader is acting as a broker for a principal, it may be necessary for the broker to configure the settings illustrated in FIG. 7.

Alternatively, the principal trader may be able to
5 configure these settings in advance through the trading system 101 (FIG. 1) administrator or broker trader's employer, for example, and prohibit the broker trader from altering these settings. In certain embodiments of the invention, traders may be prohibited from turning off
10 the counterparty switch of counterparties using brokers. Alternatively, the traders may be prevented from knowing which counterparties are using brokers.

[0044] After a trader has specified warning limits at step 506 of FIG. 5, process 500 may next wait for new
15 bids and offers to be entered at step 508. As explained above, bids and offers may be entered at workstations 102 or 104 (FIG. 1) using an interface 300 as illustrated in and described in connection with FIG. 3. Once a new bid or offer has been entered, process 500 may next receive
20 the bid or offer at step 510. At step 512, process 500 may then determine whether the counterparty switches both to and from the passive side (i.e., the counterparty submitting the bid or offer that was received at step 510) are set to "ON." If both the counterparty switches
25 to and from the passive side are set to "ON," process 500 may then display the bid or offer as available (i.e., a bid or offer that the trader may hit or take (or lift)) at step 514. Otherwise, process 500 may display the bid or offer as not available or may not display the bid or
30 offer at all at step 516. A bid or offer may be displayed as being available or not available by displaying the bid or offer in a corresponding color

(e.g., available bids or offers in green and unavailable bids or offers in red), by displaying the bid or offer in a corresponding font (e.g., available bids or offers in bold and unavailable bids or offers in italics), by flashing or not flashing the bid or offer (e.g., available bids or offers flashing and unavailable bids or offers/not flashing), by only displaying a bid or offer if it is available, or in any other suitable manner.

[0045] Turning now to FIGS. 6A-6C, a process 600 for processing hits and lifts (or takes) in response to available bids and offers that may be executed in processor 106 (FIG. 1) in accordance with preferred embodiments of the present invention is shown. As explained above, hits and lifts (or takes) may be entered using interface 300 illustrated in and discussed in connection with FIG. 3, for example. Process 600 may begin by waiting for a hit or lift (or take) to be entered on an available bid or offer at step 604. Once a hit or lift is received, process 600 receives the new hit or lift at step 606. The bid or offer for which the hit or lift was received may then be set to inactive at step 608. The bid or offer is set to inactive in order to prevent the bid or offer from being hit or lifted by another trader while process 500 is determining whether execution of the trade corresponding to the hit or lift of the bid or offer can be executed.

[0046] Next, at step 610, process 600 may check the warning limits for each of the traders in the trade. In the case where both a buy side warning limit and a sell side warning limit is specified by a trader, step 610 will first select the appropriate limit for each trader. For example, if a trader A hits a bid by a trader B, and

traders A and B both set up both a buy side warning limit and a sell side warning limit, for trader A, the sell side warning limit will be checked and for trader B, the buy side warning limit will be checked. In the event
5 where the sell side warning limit has been disabled and a trader has hit or lifted a bid, the trade may be treated as either exceeding the warning limit check or as not exceeding the warning limit check, depending on the settings of the trading system 101 (FIG. 1).

10 [0047] If the trade would not exceed the warning limit of either trader, at step 612, process 600 may branch to step 616 to execute the trade and then return to step 604. Alternatively, if the trade would exceed the warning limit of either trader, process 600 may proceed
15 to step 620 (FIG. 6B) via links 614 and 618 (FIG. 6B).

[0048] At step 620, process 600 may then determine if either trader selected automatic rejection of the whole trade in configuring workstations 102 and 104 (FIG. 1). If either trader did select automatic rejection, then
20 process 600 may take the AR branch and restore the bid or offer to active at step 622 so that the bid or offer may be acted upon by other traders. Once a bid or offer has been restored to active at step 622, process 600 may then proceed to step 648 (FIG. 6C) via links 624 and 646 (FIG.
25 6C).

[0049] If neither trader is configured for automatic rejection, then process 600 may determine at step 626 whether both traders selected automatic acceptance of only part of the trade, or whether one trader selected
30 automatic acceptance of only part of the trade and the other trader selected automatic acceptance of the full

trade. If not, process 600 may proceed to step 632. If so, process 600 may take the AP branch and, at step 628, split the bid or offer into a bid or offer for the size that would not exceed either warning limit and a bid or offer for the remaining size. Process 600 may then execute the bid or offer for the size that would not exceed the warning limit at step 630, and proceed to step 648 (FIG. 6C) via links 624 and 646 (FIG. 6C).

10 [0050] At step 632, process 600 may determine whether both traders are configured for automatic acceptance of the full trade. If so, process 600 may then take the AF branch and executes the trade at step 630 and proceed to step 648 (FIG. 6C) via links 624 and 646 (FIG. 6C). Otherwise, process 600 may proceed to step 634.

15 [0051] At step 634, process 600 may determine whether either trader is configured for manual acceptance of only part of the trade or whether one trader is configured for automatic acceptance of only part of the trade and the other trader is configured for manual acceptance of the full trade. If yes, then process 600 may take the MP branch and proceed to step 636 whereupon each trader that is configured for manual acceptance of either only part of the trade or the full trade is asked whether that trader would like to execute a partial trade.

25 [0052] Next, at step 638, process 600 may determine whether each trader prompted at step 636 elected to execute a partial trade. If so, then process 600 may branch to step 628 and perform that step and the subsequent steps in process 600 as described above.

30 Otherwise process 600 may branch to step 622 and perform

that step and the subsequent steps in process 600 as described above.

[0053] If process 600 determines at step 634 that neither trader is configured for manual acceptance of only part of the trade and that one trader is not configured for automatic execution of only part of the trade and/or the other trader is not configured for manual acceptance of the full trade, then process 600 may take the MF branch and proceed to step 640. Then each trader configured for manual acceptance of the full trade is asked whether that trader would like to execute the full trade.

[0054] Next, at step 644, process 600 may determine whether each trader prompted at step 640 elected to execute the full trade. If so, process may branch to step 630 and perform that step and the subsequent steps in process 600 as described above. Otherwise, process 644 may branch to step 622 and perform that step and the subsequent steps in process 600 as described above.

[0055] Although FIG. 6B illustrates a process 600 that tests for and processes automatic rejection (AR), automatic partial acceptance (AP), automatic full acceptance (AF), manual partial acceptance (MP), and manual full acceptance (MP), the present invention may be implemented without testing for these configuration selections and only perform tests, and subsequent processes, for configuration selections that are available.

[0056] Upon completing either step 622 or step 630, process 600 may proceed to step 648 (FIG. 6C) via links 624 and 646 (FIG. 6C) and then display a prompt asking

the passive side trader if that trader would like to turn off the counterparty switch for the current counterparty (the aggressor).

5 [0057] After performing step 648 of FIG. 6C, process 600 then may determine at step 650 whether the passive side trader elected to turn "OFF" the counterparty switch at step 648. If so, then process 600 may turn "OFF" the corresponding counterparty switch at step 652. Once the switch has been turned "OFF" at step 652 or if the
10 passive side trader did not elect to turn off the counterparty switch, process 600 may then display a prompt to the aggressive side trader asking whether the aggressive side trader would like to turn "OFF" the counterparty switch corresponding to the passive side
15 trader. If the aggressive side trader elected to turn "OFF" the passive side trader at step 654, process 600, at step 656, may branch to step 658 whereupon the corresponding counterparty switch is set to "OFF." Otherwise, process 600 may return to step 604 (FIG. 6A)
20 via links 660 and 602 (FIG. 6A).

[0058] Those skilled in the art will appreciate that the present invention can be practiced by other than the described embodiments, which are presented for purposes of illustration and not of limitation, and the present
25 invention is limited only by the claims.